

4. **SUPPLEMENTARY REPORT: Chief Executive Salary Review (A.12001/RMM)**

Purpose of the report

1. Members are asked to consider the salary of the Chief Executive post prior to recruitment to the impending vacancy on the resignation of the current post holder.

Key Issues:

Key issues include:

- The salary and role description of the Chief Executive post needs to be reviewed before advertising as outlined in the main report to the Authority.
- An external, independent report has been commissioned and is attached at Appendix 1. The author of the external report from the Local Government Association will be available at the Authority Meeting to answer any questions.
- It is the Authority's decision where to position the Chief Executive's salary within the market - there is not an agreed overarching pay strategy in place for posts within the leadership team to guide this decision.

Recommendations

2. **1. That the Authority decides whether to accept the recommendation of the independent report at Appendix 1 to place the Chief Executive post on a 3 point salary band from £80,000 - £85,000 subject to a revised role description being approved and being effective from the appointment of the new postholder**

How does this contribute to our policies and legal obligations?

3. The Chief Executive post is the Head of Paid Service and the Authority is required to appoint to this statutory role under Section 4 of the Local Government and Housing Act 1989. Although it is possible to make other arrangements for fulfilling this role e.g. a shared Chief Executive post- this is not proposed and a full time replacement for the current post holder, but on an updated job description, is recommended in the main report to the Authority.
4. Standing Orders require the appointment of the Chief Executive to be made by the full Authority although it can be delegated to a committee or subcommittee (Section 5.5). As part of the appointment process Natural England has to be consulted (Standing Orders 5.1 referring to the requirement of the Environment Act 1995).
5. This post plays a pivotal role in leading the Authority's staff to achieve all our corporate objectives and to rise to future challenges and opportunities.

Background

6. Chief Executive salary:

The opportunity has been taken to review the Chief Executive's salary with the objectives of:

- Benchmarking the current salary against the market so that the Authority can consider where it wants to sit in that market in order to attract the best candidate for the post in light of the future challenges and direction of the Authority
- Allowing the Authority to consider the impact, on the salary range, of the updated role description which will reflect the changed emphasis of the drive by the Authority to diversify its funding sources and be more commercial.

7. A remuneration report commissioned, on the advice of the National Joint Negotiating Committee for Chief Executives, from the Local Government Association (workforce strategy unit) has now been received and is attached at Appendix 1. This external independent report recommends a revised pay scale of £80,000 - £85,000 with a three point scale and a mid-point of £82,500. This places the new Chief Executive salary slightly below the average median and average upper salary levels in terms of the pay band proposed.
8. It is the Authority's decision where to position the Chief Executive's salary within the market - there is not an agreed overarching pay strategy in place for posts within the leadership team to guide this decision. There is reference in the attached report to being asked to review separately the remuneration of other Chief Officer posts in the leadership team but this is not being progressed as any such review needs to be done in the context of an agreed pay strategy for the leadership team (these posts are outside the local government job evaluation scheme which applies to all other posts at the Authority) and this has not been identified at the present time as a priority for the Authority.
9. There is a need to update the Chief Executive role description to reflect the new drive to diversify the Authority's funding streams and be more commercial. The role description will be updated with the help of the appointed external agency and in consultation with the Chair and Deputy Chair of the Authority.

Proposals

10. That members:
 - a) Consider the external report and recommendation at Appendix 1 on the salary for the Chief Executive post in advance of the vacancy being advertised
 - b) Note that application of the new 3 point salary band from £80,000 - £85,000, if agreed by the Authority, will be subject to a revised role description being agreed in consultation with the Chair and Deputy Chair of the Authority to be effective from the appointment of the new postholder
 - c) Note that all other terms and conditions for the Chief Executive post will remain the same. For clarity any pay award agreed by the national negotiating body from 1 April 2015 will also apply. As far as we are aware no pay award is proposed for Chief Officers in 2014/15 but it is felt prudent to be clear that any pay awards would only apply from 2015/16 onwards.

Are there any corporate implications members should be concerned about?

11. Financial:

If the Authority accepts the recommendation in the independent report the extra cost to the Authority at the top of the new scale would be £12235. Resource Management Team are in the process of developing budget proposals for 2015/16 and beyond to discuss with members in the Autumn and are aware that this extra cost will need to be found as part of that work.

12. Risk Management:

There are risks that the Authority does not attract suitable candidates for this key post. Taking the opportunity to review the role description and salary is part of the action to mitigate this risk alongside taking appropriate external recruitment process support.

13. Consultations:

The Head of Finance/Chief Finance Officer has been consulted on this report. The Head of HR is on leave at the time of writing this report – any consultation comments from her will be reported verbally at the meeting.

14. Sustainability:

There are no issues to highlight.

15. Background papers (not previously published)

None

Appendices

Appendix 1: Chief Executive salary review report from Local Government Association workforce strategy unit

Report Author, Job Title and Publication Date

Ruth Marchington, Director of Corporate Resources, 5 September 2014